

Displaced Children & Orphans Fund

War Victims Fund

A SUPPLEMENTAL REPORT ON COMMUNITY MOBILIZATION AND MICROFINANCE SERVICES AS HIV/AIDS MITIGATION TOOLS

Produced in conjunction with *Children Affected by HIV/AIDs in Kenya*

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ACRONYMS

CBO	community-based organization
DFID	Department for International Development
HIV/AIDS	human immunodeficiency virus/acquired immunodeficiency syndrome
NGO	nongovernmental organization
USAID	U.S. Agency for International Development

COMMUNITY MOBILIZATION

The HIV/AIDS pandemic is unraveling years of hard-won gains in economic and social development. The scale of the social and economic impacts of the HIV/AIDS pandemic are large and getting larger. Life expectancy will drop to 40 years or less in nine sub-Saharan Africa countries by 2010, and AIDS-related mortality will substantially reduce gains made in child survival in many countries. A 1 percent increase in HIV prevalence, on average, causes a loss of human development (as measured by the Human Development Index) of 2.2 years. The pandemic is an evolving disaster and no country can assume it has seen the worst of it. Even if a dramatic medical breakthrough occurs, the socio-economic impact felt among those who already have the disease would continue to be severe.

HIV/AIDS is not only an increasing cause of death among adults, infants, and young children, it is also slowly impoverishing and destroying families, leaving growing numbers of orphans in its wake. At all stages of the epidemic, families bear most of the social and economic consequences of HIV/AIDS.

Effective Responses to Strengthening Family and Community Capacity

Families and communities make the most important responses to the impacts of HIV/AIDS. Not only are they on the front line of the impacts of HIV/AIDS, they *are* the front line of response to the health and welfare problems caused by the epidemic. Not only are communities concerned about the impacts of HIV/AIDS, they are prepared to take leadership, demonstrate ownership, and devise ways of sustaining the activities they initiate. They are *the* key stakeholders.

The foundation of an effective response is the strengthening of the capacities of families and communities in the geographic areas where HIV/AIDS has made them especially vulnerable. If community-based projects grounded in participatory development techniques can be scaled up effectively, this approach may provide a cost-effective, sustainable way to address the crisis. Specifically, donors and other program planners should aim to accomplish the following:

1. Increase the capacity of
 - C Families to care for vulnerable children,
 - C Communities to support vulnerable children and households,
 - C Children affected by HIV/AIDS to support themselves and younger siblings, and
 - C Government to protect vulnerable children and provide essential services; and
2. Build an enabling environment in which it becomes easier for children and families to cope.

In the developing countries most heavily affected by HIV/AIDS, most development activities dealing with mitigating the disease's negative consequences have fallen into two categories:

- C Nongovernmental organization (NGO) programs whose paid staff deliver direct relief and development services to affected children and families, sometimes using trained community volunteers. Many of these programs have produced good results, but have relatively limited geographic coverage and a cost per beneficiary too high to reach more than a fraction of families and communities made vulnerable by HIV/AIDS; and
- C Community-based initiatives that have produced good results at a low cost per beneficiary, but whose geographic coverage has also been very limited.

The scale of the HIV/AIDS pandemic overwhelmingly exceeds the funding available to address it. Donors and implementers must give much more serious attention to cost-effective strategies. The problems are too great for any government, donor, or organization to be effective unilaterally. Donors and those who would intervene must define common strategies and collaborate closely. The following points provide guidance on important aspects of program development:

- C **Work through organizations that already exist in communities:** Considering scale, cost, and potential sustainability, working through organizations or structures already active in a community has advantages. Examples of such organizations include churches and other religious bodies, health services, neighborhood health committees, schools, civic organizations, women's associations, and cooperatives.
- C **Build an enabling environment:** The process of building an enabling environment includes increasing the awareness and commitment of leaders and the public concerning children who are especially vulnerable; establishing laws and policies that protect children and widows; reducing stigma and discrimination associated with HIV/AIDS; improving the effectiveness and coordination among key actors, NGOs, and community-based organizations (CBO); and monitoring the epidemic's impacts. Governments have critical roles to play regarding the protection and placement of children who are abused or neglected; establishing and monitoring compliance with policies to guide action; and delivering such essential services as health care, education, and access to clean water.
- C **Promote state-of-the-art participatory development techniques:** A theoretical approach to community mobilization is not effective. Stakeholders at all levels must gain a visceral, as opposed to intellectual, appreciation of the process for it to work. Participative techniques that catalyze feelings of community ownership cannot be learned by reading a book or by participating in a one-shot training workshop. Yet NGO and government extension staff often attend a one-shot training in community participation and mobilization skills. Because the process itself is iterative and incremental, so too is the development of participatory skills for mobilizers. This process takes patience and commitment, but once a foundation of genuine community ownership is established, progress is often very rapid.

Planners should give equal attention to strengthening mobilization and participatory skills at the community level. Community groups that serve as a catalyst to mobilize other members of the community tend to be the most successful. No community group, no matter how dedicated or energetic, can create a truly resilient safety net without wide participation from within the community.

- C Create design and methodological innovations to scale up project outreach:** For community mobilization programs to scale up, interaction between community levels and levels above them needs to be effective. The catalyst (whether NGO or extension agents) must work to facilitate a “buy-in” to the participatory process at all levels. Financing training activities as opposed to providing external grants for project operations may be a more effective route to capacity building. Community members who have demonstrated skills in community mobilization to train, or to exchange lessons with, counterparts from neighboring areas would be especially important to support with training. Similarly, programs should ensure that periodic “retreats” take place so that staff can review and analyze their progress, allowing them to better identify their support needs and plan strategies.
- C Promote a two-pronged technical assistance approach:** Individual household economic resources and community safety nets are two critical aspects of HIV/AIDS impact mitigation. Since the two types of services involved—microfinance services and community mobilization around HIV/AIDS care and support issues—require specific expertise, it is preferable to involve organizations that specialize in microfinance services and those who specialize in HIV/AIDS prevention and care projects. Although the **two areas should be operationally separate**, they must be *conceptually* joined. Recommended areas for joint planning would be (1) the desired impact of microcredit, (2) monitoring and evaluating impact, and (3) packaging of loan products to target clients.

Features of Successful Community Mobilization

The single most crucial factor of successful community mobilization is the extent to which communities take ownership of the problems stemming from the impacts of HIV/AIDS and take responsibility for finding solutions. The process of mobilization starts with the concerns a community has in relation to HIV/AIDS. A recurring theme among communities is concern about the number of orphans and vulnerable children and the circumstances in which they live. Communities often rally around activities designed to provide care for such children and support to their guardian households. The motivation that energizes their efforts comes from a variety of sources: compassion, religious commitment, and a recognition that unless they support each other while they are able, they will have no one to depend on if their own families need help.

Although practitioners may use different participatory tools and the issues around which they mobilize communities may vary, the mobilization process is similar in each community. Regardless of the techniques, organizations must observe rigorous standards of excellence in participatory methodology.

Following are critical steps in the process of genuine community mobilization:

- C Recognition on the part of community members that they are already dealing with the impacts of HIV/AIDS and that they can be more effective if they work together (“we need to support each other to deal with this”);
- C Sense of responsibility and ownership that comes with this recognition is the starting point for identifying what responses are possible (“this is happening to us so it’s up to us to do something about it”);
- C Identification of internal community resources and knowledge, individual skills, and talents (“who can or is already doing what, what resources do we have, what else can we do”);
- C Identification of priority needs (“what we’re really concerned about is...”);
- C Community members planning and managing activities using their internal resources; and
- C Increased capacity of community members to continue carrying out their chosen activities, to access external resources once internal means are exhausted, and to sustain their efforts over the long term.

This process does not happen all at once or necessarily in this order. One of the more subtle challenges for a catalyst is to recognize when a community is ready for certain kinds of training and external support, when to link with outside groups, and what resources to tap. A fundamental tenet of community mobilization is that the impetus for action emerges from the community level and the catalyst formulates its agenda around community priorities, concerns, capacities, and commitments.

Structures through which mobilization occurs vary among community-based models. However, community ownership and management of these responses to the consequences of HIV/AIDS are the key features of success. External organizations act as catalysts to achieve this ownership using participatory processes. They are facilitators, not managers, capacity builders, not direct service deliverers.

Guidelines for Successful Community Mobilization Initiatives

- C Community mobilization is a mechanism to define and put into action the collective will of the community, rather than a mechanism to achieve community consensus for externally defined purposes.
- C External organizations (e.g., NGOs, religious bodies, and government agencies) must let the process unfold according to an internally defined rhythm. The community should be left to progress at its own pace. Emphasis is on a process that is iterative and incremental. Taking time, as well as timing outside support is crucial. Leading

with outside resources before a community begins to take action through internally produced means is a sure way to subvert local ownership and responsibility.

- C Committees that are able to mobilize the entire community's involvement in carrying out activities become the most dynamic and are able to sustain motivation over the long run. A group that assumes responsibility for addressing problems on behalf of its community is likely to burn itself out.
- C Outside supporters should seek to build capacity of communities, rather than delivering services themselves. The catalyst role is to sensitize, mobilize, and build capacity. Outside supporters can catalyze the process in a somewhat systematic fashion, but neither they nor funding bodies should dictate what specific actions a community eventually decides to undertake.

Other Issues Related to HIV/AIDS Impact Mitigation Projects

Scale and Sustainability

In the most affected countries, the scale of the impacts of HIV/AIDS are far too large, varied, and interrelated for any single organization, government, international body, or NGO to address unilaterally. Coordination of activities and collaboration among all relevant actors are essential elements in any effort to address HIV/AIDS impacts. HIV/AIDS is a development issue, not just a health issue. Cost-effective, sustainable interventions must be expanded to produce sustainable impacts on the same scale at which problems are occurring.

Linking Care and Prevention

The care and support of people living with AIDS should be linked closely with efforts to mitigate economic and psychosocial impacts. The potential links between care and prevention activities deserve much greater attention than they have received. Programs targeting prevention often operate in isolation from those providing care for people living with AIDS, orphans, and others made vulnerable by the epidemic. Such links might be important to reducing the spread of HIV given that poverty generates a sense of powerlessness and fatalism, and a feeling that the things that affect people are beyond their control. This undermines commitment among the poor to heed prevention messages.

Empowerment that comes with effective community mobilization reinforces a sense that participants can affect the circumstances of their lives. This awareness may increase receptivity to adopting behaviors that reduce risk of HIV infection.

Personal involvement in community-based care efforts raises participants' awareness of HIV/AIDS and provides opportunities for program staff to discuss with participants how HIV is transmitted and how it can be prevented. In addition, responding to the difficulties

of orphans and widows may motivate community residents to avoid risky behaviors that could ultimately have similar consequences for their own families.

Intersectoral Partnering

Since families and communities affected by HIV/AIDS are the front line of response to the impacts of the pandemic, programs must be designed to make sense within the realities of their lives. The relevance and effectiveness of programs can suffer when funding, approaches, and expertise separate them into such boxes as HIV prevention, voluntary testing and counseling, home-based care for people living with AIDS, care and protection of orphans, and income-generating activities. People living with or affected by HIV/AIDS do not segment their lives in this way. Better integration within and among programs can improve the interventions.

Challenges

The challenge of community mobilization efforts tends to coalesce around two issues: (1) how to scale up operations to match the scope of the HIV/AIDS epidemic, and (2) how to sustain community mobilization over the long run. The following examples illustrate these issues.

- C Keeping ownership alive at the community level:** The structure of a community mobilization program in Malawi is based on three levels of participants: district, health catchment area, and village. Initially, the program mobilized effective action at health catchment and village levels. However, when the NGO acting as the catalyst wished to scale up its outreach, it believed that it would be more efficient to deal directly with the district level. It relied on a “cascade” effect (i.e., district mobilizes health catchment area level, who in turn mobilizes village level). However, the further away the NGO got from the village level, the weaker community ownership seemed. In other places, excitement over the initial success caused some NGOs to start making decisions on behalf of the community. This led to weakened community ownership and action.
- C Achieving long-term sustainability:** The formula for achieving sustainability has many ingredients. The first is maintaining a strong sense of ownership and responsibility among those carrying out activities. Another is identifying and engaging the internal skills and talents a community already possesses. Finally, learning how to tap external resources when needs go beyond internal capacity is crucial. Finding ways to generate a sustainable source of financing is also necessary to support community activities. In response to this last element, many community groups choose to start businesses. Unfortunately, these communal enterprises are notoriously risky endeavors that generally do not generate significant profits and frequently require management skills unavailable within the community. In addition,

the time and effort necessary to successfully manage the business may take community members away from carrying out the very activities the business is meant to finance. The activities become an end rather than a means to an end. Creating innovative methods that maximize internal resources, tap external resources, and generate funds, but that do not subvert community ownership, is a complex challenge.

- C Strengthening household economic resources:** HIV/AIDS is having profound economic impacts at family and community levels. Communities have been mobilized to provide assistance to their most destitute members, but how can these efforts be sustained over time and how can the number of households slipping into destitution be kept to a minimum? The most encouraging approach to shoring up household resources and, thereby, strengthening community resources, are state-of-the-art microfinance programs. Yet, this type of program is extremely challenging to implement. Attempting to design and manage a community mobilization initiative **and** deliver microfinance services according to state-of-the-art principles is probably beyond the capacities of most organizations.
- C Free goods:** Many organizations working in poor countries feel that they must supply funds to evoke community participation in their projects. However, it is unclear whether external grants to communities are an effective way to support responses to the impacts of HIV/AIDS. Although external funding may help to stimulate efforts, such funding runs the risk of compromising these efforts by diluting community ownership. It can also instill dependency and an atmosphere of paternalism that stifles community participation and eventually snuffs out motivation. Similarly, when external funding is available, it is difficult to know whether a community is inspired by a feeling of responsibility to solve its problems or by the promise of funds. Initiating a community mobilization effort by offering free goods as an incentive is a sure route to failure. On the other hand, a community can exhaust all its own resources. When this happens, they can become demoralized and overwhelmed. A modest and carefully timed injection of external resources would make a significant positive impact. Striking a balance between creating dependency and arriving at despondency requires a skillful and thoughtful program approach.
- C Responding to village-driven needs:** Many development practitioners specialize in a particular technical area. This often means that the nature of community- and village-level activities ends up reflecting an NGO's specialization more than the beneficiaries' needs. Yet, people living with or affected by HIV/AIDS do not segment their lives according to neatly defined technical sectors. At the same time, achieving intersectoral partnering among varied outside agencies has been a perennial difficulty in development projects everywhere.
- C Devising a monitoring and evaluation system that is sensitive to community ownership issues and communities' needs for information, yet one that complies**

with donor requirements: In Malawi, one community had successfully identified indicators compatible to donor requirements. The NGO began presenting these indicators as a “package” to other villages. This action by-passed the process in other communities who consequently felt as if this package was imposed on them. Communities ceased to gather information and behaved as though the information was now “owned” by the NGO.

MICROFINANCE SERVICES

Income generation through self employment in microenterprises is an important activity by which poor households amass resources. Research¹ has shown that it is a long-standing coping strategy used to respond to crises and times of economic stress, whatever the cause. Understanding how families make decisions about their household economy, especially during times of crisis, can lead to insights on ways to reinforce household economic security and, by extension, mitigate the impact of AIDS upon it. An essential element affecting these decisions is the family's perceptions of, and attitudes toward, their risk environment. Households manage their internal economies by developing strategies to (a) *reduce risk* by lessening their exposure to it, and (b) *manage loss* by mitigating negative consequences.

Risk reduction strategies include the following:

- C Choosing income-generating activities that carry few risks, and earn modest, but steady, returns.
- C Diversifying household crop and income-production activities. Examples include engaging in wage-earning labor, starting one or more microenterprise businesses, and cultivating subsistence and cash crops.
- C Building up savings, either cash or in-kind assets (livestock or jewelry) as a type of insurance that households can draw on in case of a loss. Preserving extended family and community ties also allows for risk and resource sharing.

During times of crises, households employ a predictable set of *loss management* techniques, whatever the cause, to alleviate the disaster's worst effects on the family's well-being. These techniques fall into three stages. In *Stage One* strategies are reversible, and have little to no impact on the household's income earning or production capacity. *Stage Two* approaches are difficult to reverse because they involve the sale of productive assets, undermining household capacity to generate income and produce food. *Stage Three* indicates the destitution of the household where few, if any, coping mechanisms remain available.

A family's ability to avoid Stage Two and Three depends on the resiliency of its Stage One strategies. Stage One, in turn, depends on the successful outcomes of risk reduction activities. In addition, the relative "health" of a family's resource base determines if it can help the community or extended family members at all. Interventions that aim to

¹ The following information on risk reduction and loss management is taken from "Household Economic Portfolios" by Chen and Dunn for the U.S. Agency for International Development's (USAID) AIMS project.

strengthen a household's economic resource base are critical to mitigating the impact of HIV/AIDS.

Table 1: Loss Management at the Household Level

Stages of Loss Management	Strategies
I. Reversible mechanisms and disposal of self-insurance assets	<ul style="list-style-type: none"> ⌄ Seeking wage labor or migrating to find paid work ⌄ Switching to producing low-maintenance subsistence crops ⌄ Liquidating savings accounts and selling jewelry and livestock ⌄ Calling on extended family or community obligations ⌄ Borrowing from formal or informal sources of credit ⌄ Reducing consumption and decreasing spending (education and health)
II. Disposal of productive assets	<ul style="list-style-type: none"> ⌄ Selling land, equipment, tools, or animals ⌄ Borrowing at exorbitant interest rates ⌄ Further reducing consumption, education, and health ⌄ Reducing amount of land farmed and types of crops produces
III. Destitution	<ul style="list-style-type: none"> ⌄ Depending on charity ⌄ Breaking up household ⌄ Beginning distress migration

Source: "Household Economic Portfolios" by Chen and Dunn for USAID's AIMS project.

Microfinance programs are one of the few interventions that have shown potential for increasing poor households' incomes in a cost-effective manner. Evaluations of impact at the enterprise level show that, among other things, access to credit enables businesses to survive crises. At the household level, evaluations point to income and asset accumulation. One could infer that access to credit and savings mitigates HIV/AIDS through the following means:

- ⌄ Maintaining or increasing small but steady income flows to poor households;
- ⌄ Providing opportunities to acquire savings that are secure, easy to liquidate quickly, and able to retain value;

- C Reducing vulnerability to loss by increasing coping mechanisms; and
- C Enabling affected households to avoid irreversible coping strategies that destroy income earning and production capacity.

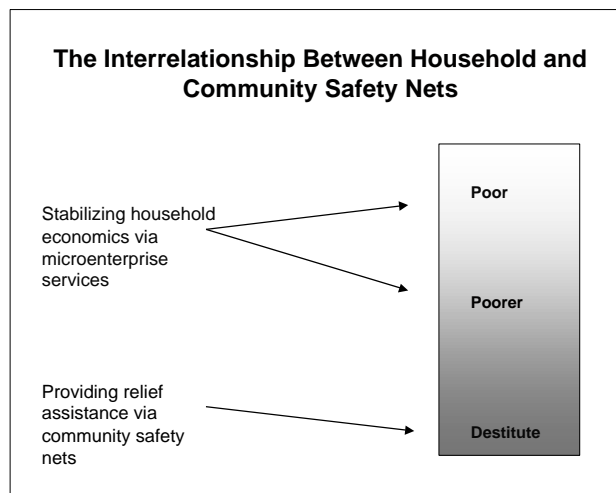
These elements are important in lessening the AIDS epidemic's impact on families and communities. Although access to credit may not be beneficial for those whose immediate survival is at stake, it may play a role in helping households get ahead of the disease before the worst consequences arrive. This is especially crucial for households that are already vulnerable to poverty.

RELATIONSHIPS BETWEEN COMMUNITY MOBILIZATION AND MICROFINANCE

The extent to which families can mitigate the consequences of HIV/AIDS depends on the state of the households' resources before, during, and after the disease affects them. Stabilizing household economies by promoting income-generation projects is one strategy to mitigate the consequences.

But the economic stress caused by HIV/AIDS can become so severe that engaging or continuing income generation is not an option. At this point, the community's safety net role becomes critical. Material relief and moral support furnished by friends and neighbors are more viable alternatives during extreme crises.

However, the impact of such relief assistance at the household level is not sustainable in and of itself. The safety net sustains the household economy only as long as material relief continues or until the household is out of danger. Over the long run, the household must continue with its internal resources.



In addition, a resilient safety net requires community members who are willing and able to volunteer their time and resources. If too many families slide into destitution, the community safety net will be overwhelmed. Fewer people will be available to share their resources within the community.

Thus, the integrity of providing assistance to either aspect—strengthening safety nets or building household resources—depends on their successful interaction.

Combining Microfinance and Community Mobilization Projects

In this type of collaborative program, designers should keep in mind that microfinance will not resolve the issue of financing community mobilization activities. Microfinance activities will complement those efforts by easing the economic strain (through increased incomes) on individuals and making it easier to participate in activities. The following

recommendations should be taken into consideration when designing programs to strengthen household economic resources and mobilize community responses to the impacts of HIV/AIDS:

- C Recognize that increasing individual household income and mobilizing financial resources for group-based social activities must be supported differently:** Practitioners from both community mobilization and microfinance must recognize that increasing individual household income and mobilizing financial resources for group-based social activities must be supported differently. The tension between individual and communal needs is exacerbated by practitioners' tendency to use the term "income generation" indiscriminately. If the purpose and desired impact of income-generating activities are not clear, planners will have difficulty matching the appropriate microenterprise "tool" to the needs of project beneficiaries.
- C Examine which approaches can best provide economic strengthening to communities affected by HIV/AIDS:** Provide an opportunity for microfinance and community mobilization practitioners to share experiences and information. As stated earlier in the report, the potential exists to strengthen the economic resources of households and communities affected by HIV/AIDS on a scale that the health sector would be hard pressed to match. What is not known is what products are already mitigating the impact of AIDS, and for how many clients these products are working.

Households affected by HIV/AIDS represent a portion of microfinance institutions' current client base. Some information is available, but the number of such clients and the affect of microfinance services on them is not being captured. This missing information is important in that it would serve to identify what types of products and services are already meeting the income generating needs of affected households. The Department for International Development (DFID) is funding the University of Nairobi to conduct assessments of the impact of microfinance products and services on client enterprises. It may be possible to incorporate data into those assessments that show the impact on clients' household economic resources. The outcome of such data could provide ideas for new financial products that would enhance clients' abilities to cope with the impacts of HIV/AIDS but still protect the microfinance institution.

- C Support the Development of a Variety of Innovative Methods to Assist Communities That Want to Generate Income to Sustain Their Activities:** Financial resources for a group's social development activities could be gained through a range of options:
 - C Fund-raising (big walks, raffles, soccer matches, entertainment events, and drama);
 - C Identifying internal resources (local skills, ideas, income, property, and land); and

- C Tapping into external resources (large private sector firms, trade, or other business associations, religious groups, Rotary Clubs, or government agencies).

Efforts to develop strategies that will allow groups to tap into external resources are critical. These strategies should be continually evolving so that groups do not come to depend on one sort of fund-raising activity or one group of donors, either from the international or local community. Private sector organizations in particular should be closely examined to determine various mechanisms they can connect with through donations or through their own fund-raising efforts.

Guidelines for Collaboration

Programs to build the economic resources of households should incorporate state-of-the-art methodologies and should be operationally separate from activities designed to mobilize community efforts to address social welfare needs. Since the two types of services involved—microfinance and HIV/AIDS prevention and care activities—require specific expertise, it is preferable to involve organizations that specialize in delivering microenterprise services and those that specialize in implementing HIV/AIDS prevention and care projects. Although these two technical assistance activities should be operationally separate, the strategies that underlie them must be conceptually joined.

Similarly, health and social welfare organizations that approach microfinance institutions about potential collaboration must realize that these institutions cannot stray too far from certain operating principles because, despite their promise, their programs are complex to implement. To be successful microfinance institutions must do the following:

- C Incorporate state-of-the-art methodologies and adhere to rigorous standards.
- C Rely on the way in which financial products and services are packaged to predetermine the clientele that will be attracted to them. When projects attempt to artificially engineer the composition of groups, it undermines the delicate mix of peer pressure and group accountability on which the success of lending programs must be built. Groups must self-select based on who each member feels is a good credit risk.
- C Avoid accepting low repayment rates. Allowing low repayment sends a mixed message to borrowers (if borrowers see some people default, they begin to question why they should struggle to repay). Poor repayment rates also erode the capital available for further lending, jeopardizing the sustainability of the program and clients' (both current and future) access to financial services
- C Carefully manage whatever subsidies might be necessary for start up. Providing long-term subsidies for credit projects makes them unacceptably expensive. In addition, clients

who become accustomed to running their businesses with subsidized services cannot maintain them in a market environment when the subsidies are withdrawn.

Designing Operationally Separate but Conceptually Joined Programs

Finally, when organizations engage in collaborative program designing, the following three areas deserve particular attention:

- C Defining the desired impact of microfinance services:** For HIV/AIDS-affected communities, the desired impact of such program interventions should be to assist households in reducing their exposure to economic risk and improving their ability to cope once a loss has occurred. The intent is to increase poor households' income-earning and investment capacities, as opposed to promoting business growth or job creation. Microfinance services are an integral part of such interventions and should be available to all households who meet the criteria for participation as set out by the microfinance institution. The criteria should not focus solely on whether a household is dealing with the impacts of HIV/AIDS. Other worthwhile outcomes would be improvements in food security and children's school attendance.
- C Determining how to monitor and evaluate the impact of these programs:** Most microfinance programs do not measure impact at the household level, because doing so would add enormous costs and jeopardize sustainability. Instead, they monitor financial performance indicators that determine the institution's long-term sustainability, including the size of loans, depth of scale, geographic outreach, and loan volume. Clients' willingness to pay for such services is considered proof that the program has a favorable impact at the household level. However, for the purposes of improving AIDS impact mitigation, it is important to gauge the effect microfinance services have on household economies. Organizations interested in teaming up should negotiate how to arrange responsibilities for monitoring and evaluation.
- C Packaging loan products to best serve target clients:** The desired targets of such program interventions are the poorer (but not destitute) households in the community, because they are the most economically vulnerable to HIV/AIDS. In microfinance programs, loan size is a proxy for how far loans reach into the poorest segment of the population (commonly referred to as the program's "depth of scale"), with smaller loans indicating a poorer clientele. Loans in amounts below US\$300 "are categorically assumed to be reaching the poorest borrowers" (USAID 1988). Therefore, to ensure that the appropriate people gain access to credit, loan sizes should be small. Some projects also add other criteria to determine who is eligible for loans. For example in Malawi, the Ministry of Women and Youth Community Services collaborates with a local financial institution to gain access to credit for women. Members of solidarity groups receiving

loans cannot be earning regular, formal sector wages and must meet any two of the following criteria: caring for orphans, food security lasting less than 12 months, living in a single-person-headed household, or engaging in piecework for income.

In addition, management should brief field staff on the geographical overlap. They should be encouraged to contribute their ideas on how the two programs could best collaborate in a mutually beneficial way. Especially important would be the method in which information will be collected for impact assessments, the method in which monitoring and evaluation will be managed, and the kinds of information exchange that would be useful. Collaborative efforts should not be one-sided. The synergy of having such a collaborative effort should benefit both parties.